

State of Alaska FY2010 Governor's Operating Budget

Department of Health and Social Services Child Care Benefits Component Budget Summary

Component: Child Care Benefits

Contribution to Department's Mission

Provide child care subsidies to allow low-income parents to obtain and retain employment. Ensure the safety of all children in child care facilities. Promote improvements to the quality of child care.

Core Services

- Provides child care subsidies to low-income families who need child care to work or participate in work and training activities.
- Conduct oversight of all child care facilities (centers and homes) in the state. This includes licensing and approval functions, responding to complaints about child care, and monitoring compliance with regulations.
- Promote improvements to the quality of child care through child care grants to licensed child care providers, grants to child care resource and referral agencies, quality improvement activities, and licensing activities.
- Educate parents on what to look for in child care; provide child care referrals to assist parents in finding child care.

FY2010 Resources Allocated to Achieve Results

FY2010 Component Budget: \$51,729,100	Personnel:	
	Full time	36
	Part time	0
	Total	36

Key Component Challenges

- Stabilizing child care rates. The number of working families participating in the Child Care Assistance Program has been steadily declining. The decrease is partially attributed to State rates for child care not keeping up with the rates that child care providers charge. State rates for licensed child care providers who accept children on child care assistance were increased effective September 2008 as an initial step to bridge that gap.
- Maintaining a sufficient supply of quality child care to support working parents. Child care as a business is becoming more and more expensive to operate. Rising costs of doing business such as fuel and personnel costs, service standards to ensure health and safety, and lagging increases in the state child care rates have contributed to decreased availability of licensed child care throughout the state.
- Establishing and implementing common standards for measuring quality of care in child care facilities.

Significant Changes in Results to be Delivered in FY2010

- Improve service and performance outcomes. The rising costs-of-doing business that child care grantees are experiencing as a result of increased energy prices and cost of goods are affecting service levels and their ability to meet performance expectations. The Governor's FY10 budget proposes an increment of \$305.4 to help offset inflation-related costs of doing business so that grantees can maintain critical services.
- In FY09 the department will be developing a standardized methodology for calculating child care rates. The Governor's FY10 budget proposes an increment of \$3,000.0 to implement a child care rate increase for licensed providers in FY10 based on the new methodology.
- Increase availability of licensed child care providers through improved outreach and technical assistance efforts.
- In partnership with the Department of Education and Early Development, continue work on developing quality

of care standards in centers and homes providing early care and education services.

Major Component Accomplishments in 2008

- In partnership with the Department of Education and Early Development, distributed the Early Learning Guidelines that represent common goals for young children and reflect the values and recommended practices for diverse populations throughout the state.
- Received recommendations for implementation of a standards-based Early Care and Education System for Alaska, also known as a Quality Rating and Improvement System (QRIS), and began assessment and implementation options.
- Entered the final year of a three-year plan to standardize funding for grantees performing child care eligibility services.
- Participated in the first year of accuracy reviews for child care subsidy authorizations, mandated by federal law. 95.4% of the child care payment authorizations reviewed were determined to be accurate.
- Conducted technical assistance reviews with grantees and achieved increased consistency across the state in child care licensing and child care assistance functions.
- Completed a Child Care Market Rate Survey to assist in establishing child care assistance rates.
- Supported self-sufficiency activities of eligible families by subsidizing child care costs for about 5,000 children each month.
- Provided child care assistance in more than 30 Alaskan communities with the help of local program administrators and grantees.
- Continued child care quality initiatives; maintained training opportunities for child care providers and consumer education and referrals for parents.
- In partnership with the Department of Education and Early Development and the University of Alaska Southeast, supported the development of Alaska's Professional Development Plan for the Early Care and Education Workforce.
- Provided licensing services to 662 child care facilities using standards that promote safety.
- Obtained funding to increase child care assistance rates for licensed providers beginning in September 2008. These rates had not been changed since 2001 for most parts of the state.

Statutory and Regulatory Authority

AS 47.27.005, AS 47.27.035 Alaska Temporary Assistance Program
 AS 47.25.001 - .095 Day Care Assistance and Child Care Grants
 AS 47.32.010 - .900 Centralized Licensing and Related Administrative Procedures
 AS 47.05.300 - .390 Criminal History; Registry
 7AAC 41 Child Care Assistance
 7AAC 39 Child Care Grant Program
 7AAC 57 Child Care Facilities Licensing
 7AAC 10 Licensing, Certification, and Approvals
 7AAC 45 Alaska Temporary Assistance Program

Contact Information

Contact: Kate Bowns, Acting Budget Manager
Phone: (907) 465-2749
Fax: (907) 465-1850
E-mail: Kate.Bowns@alaska.gov

**Child Care Benefits
Component Financial Summary**

All dollars shown in thousands

	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	2,221.6	3,068.7	2,937.9
72000 Travel	122.0	143.0	143.0
73000 Services	1,034.9	2,836.8	2,836.8
74000 Commodities	60.7	62.6	282.6
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	34,137.2	42,223.4	45,528.8
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	37,576.4	48,334.5	51,729.1
Funding Sources:			
1002 Federal Receipts	30,449.8	39,428.0	39,504.8
1003 General Fund Match	6,305.4	6,325.1	6,337.3
1004 General Fund Receipts	821.2	2,581.4	5,887.0
Funding Totals	37,576.4	48,334.5	51,729.1

Estimated Revenue Collections

Description	Master Revenue Account	FY2008 Actuals	FY2009 Management Plan	FY2010 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	30,449.8	39,428.0	39,504.8
Restricted Total		30,449.8	39,428.0	39,504.8
Total Estimated Revenues		30,449.8	39,428.0	39,504.8

**Summary of Component Budget Changes
From FY2009 Management Plan to FY2010 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2009 Management Plan	8,906.5	39,428.0	0.0	48,334.5
Adjustments which will continue current level of service:				
-FY2010 Wage and Health Insurance Increases for Bargaining Units with Existing Agreements	12.4	76.8	0.0	89.2
Proposed budget increases:				
-Child Care Grantee Support	305.4	0.0	0.0	305.4
-Child Care Rate Increase for Working Families	3,000.0	0.0	0.0	3,000.0
FY2010 Governor	12,224.3	39,504.8	0.0	51,729.1

**Child Care Benefits
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2009 Management Plan	FY2010 Governor		
Full-time	36	36	Annual Salaries	1,740,014
Part-time	0	0	COLA	72,056
Nonpermanent	0	0	Premium Pay	113,592
			Annual Benefits	1,065,236
			<i>Less 1.77% Vacancy Factor</i>	<i>(52,998)</i>
			Lump Sum Premium Pay	0
Totals	36	36	Total Personal Services	2,937,900

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk	1	0	0	0	1
Accounting Tech I	2	0	0	0	2
Administrative Assistant II	1	0	0	0	1
Administrative Clerk II	2	1	1	0	4
Administrative Clerk III	1	0	0	0	1
Assoc Coordinator	2	0	0	0	2
Community Care Lic Spec I	5	5	4	0	14
Community Care Lic Spec II	1	1	1	0	3
Community Care Lic Spec III	1	0	0	0	1
Coordinator	0	0	1	0	1
Elig Qual Cntrl Tech I	1	0	0	0	1
Elig Technician I	1	0	0	0	1
Project Asst	1	0	0	0	1
Public Assist Analyst I	2	0	0	0	2
Research Analyst III	0	0	1	0	1
Totals	21	7	8	0	36